

Washington, D.C. – Today, Congressman Joe Sestak (PA-07)— vice-chairman of the House Small Business Committee— helped the House pass H.R. 3614, which temporarily extends the authorization for small business programs under the Small Business Administration, and makes important changes to a small business lending program to improve access to capital for small firms.

The Small Business Administration (SBA) was created in 1953, and has a current business loan portfolio of roughly 220,000 loans worth more than \$50 billion, which makes it the largest single financial backer of U.S. businesses. This extension of authorization prevents SBA programs from expiring on September 30th, which would occur without passage of this legislation.

“This legislation ensures adequate funding for and continuity of the Small Business Administration’s vital programs, while we continue to work toward completion of a full reauthorization this year. We can not do enough to protect and strengthen our nation’s small businesses, which generate 70 percent of jobs,” said Congressman Sestak.

In addition to this reauthorization, H.R. 3614 also modifies the American Recovery Capital Program “ARC”, which was created under the American Recovery and Reinvestment Act of February 2009. ARC provides short-term capital for businesses and has helped 1,600 firms stay afloat in a difficult economic climate through interest-free loans.

The modification— allowing small businesses to use ARC loans to pay down existing debt— makes available \$360 million in lending capital to help stressed small businesses that have SBA 7(a) loans. Through the ARC program, these firms will be eligible to receive nearly \$6,000 per month, allowing them to redirect their cash flow into sustaining their operations.

Since taking office, Congressman Sestak has taken a leadership role as Vice Chairman of the Small Business Committee and has worked on critical steps to support small businesses, including:

Authoring the Small Business Lending Promotion Act of 2009, which makes permanent the SBA Community Express Lending Program. Doing so will lift the program’s 14 year status as one of

SBA's most successful pilot programs and thereby remove artificial caps on the number of Community Express loans that may be issued. Community Express represents approximately 12% of current SBA loans and 25.6% of all SBA loans to minorities and socially or economically disadvantaged entrepreneurs.

Authoring the Small Business Entrepreneurial Development Programs Act, which enhances two critical entrepreneurial development programs: Small Business Development Centers (SBDCs), including Women Business Development Centers, and the Service Corps for Retired Executives (SCORE).

Authoring amendments to the Small Business Fairness in Contracting Act to require large federal mega-contracts to undergo a bundling analysis to create more opportunities for small businesses; and to require market research for Department of Defense contracts greater than \$1 million in value.

Becoming an original co-sponsor of the SBA Trade Programs Act, which helps entrepreneurs overcome dislocations due to global trends through outreach centers, including Women's Business Center.

Co-sponsoring the Small Energy Efficient Businesses Act, which authorizes financial assistance through the SBA to state and local development companies for projects that reduce energy consumption by at least 10%, reduce the use of non-renewable energy sources, or generate renewable energy sources

Co-sponsoring the Job Creation through Entrepreneurship Act of 2009 to revises the Regulatory Flexibility Act. Defines the "economic impact" of a rule to include any direct or indirect economic effects on small entities. Requires initial regulatory flexibility analyses of a proposed rule to contain a detailed statement describing the type of small entities to which the proposed rule will apply, among many other provisions.

Co-sponsoring the Job Creation Through Entrepreneurship Act of 2009 to benefit Veteran businessmen and women by providing entrepreneurial training and counseling as well as the funding for Veterans business centers. It requires each center to provide Veterans'

entrepreneurial development, counseling of veteran-owned small businesses, and government procurement assistance to Veterans.

*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. House of Representative.*